

The CRTC and 21st century expectations of openness, transparency and accountability: a month of comments on how Parliament's delegate performs its responsibilities

18: Transparency means access to evidence, not selective smokescreening => note typographical error corrected on 19 Mar/23, below

18 March 2023

This is the eighteenth of a series of comments by FRPC about the openness, transparency and accountability of the Canadian Radio-television and Telecommunications Commission (CRTC). Parliament established the CRTC on 1 April 1968 and delegated responsibility to it for implementing Parliament's broadcasting and telecommunications policies for Canada.

The Ministers of Canadian Heritage and Innovation, Science and Economic Development wrote Chairperson Eatrides in early February 2023 to offer congratulations on her appointment to the Commission¹ and also to "inform her of the Government's vision and priorities with respect to Canada's broadcasting and telecommunications system". ² The Ministers said they had "consistently heard" that the CRTC "falls short in "openness and transparency" and were confident in the new Chairperson's ability to see to the CRTC's "to being more … transparent …."

Transparency can refer to several aspects of the work of an organization like the CRTC, including the degree to which it explains or describes its plans, the 'dealings' it has with other parties, its operations or processes, and the information it makes available about its work. This note deals with the degree to which information about the CRTC's operations can be obtained and evaluated.

As mentioned in the 17th commentary in FRPC's March 2023 series on the CRTC's openness, transparency and accountability, Parliament has empowered the CRTC to collect information from those it regulates with respect to its responsibilities. Parliament also requires the CRTC to "regulate and supervise all aspects" of Canada's broadcasting system "with a view to implementing" Parliament's broadcasting policy for Canada (section 5(1) of the Broadcasting Act). Similarly, in the CRTC Act Parliament requires the CRTC's Commissioners and Chairperson to "exercise the powers and perform the duties vested in the Commission and the Chairperson, respectively, by the Telecommunications Act" (section 12(1) of the CRTC Act).

The following text introduces the CRTC's page on "Transparency":

We are committed to providing open and transparent information about our operations and resources to the public so that Canadians and Parliament are better able to hold the government and public sector officials accountable.

A basic challenge for those engaging regularly with CRTC matters, however, is that the CRTC voluntarily discloses little information about its operations. Take the matter of affordability which Parliament references in its telecommunications policy for Canada, laid out in the 1993 *Telecommunications Act*.

The telecommunications policy affirms that one of its objectives is to "render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada" (section 7(b)). While the CRTC publishes annual financial reports about each broadcasting sector – conventional radio, conventional television, discretionary television and distribution services (cable, satellite and IPTV) – it does not publish similar annual reports for telecommunications companies operating in Canada.

¹ CRTC, "Meet Vicky" (accessed 1 March 2023).

Department of Canadian Heritage, "New CRTC Chair's Leadership Will Help Shape the Future of Canada's Communication System", News release (Gatineau, 6 February 2023).



FRPC's review of the data published by the CRTC in its *Communications Monitoring Reports* found that from 2008 to 2019 the number of tables, charts, figures or infographics included in the *Reports* and dealing with affordability grew from 5 to 39. In 2019 many of these data presentations examined household spending or expenditures:

2008						
Figure 2.3.1	Price Indices (TPI, BDU (Cable and Satellite (including pay television)), Internet access services and CPI)					
Table 6.2.1	International pricing (\$/month) – medium usage					
Table 6.2.2	International pricing (\$/month) – high usage					
Table 6.2.3	International pricing (\$/month) – low usage					
Table 5.3.3	Internet plans and pricing					
2019						
Figure 1.4	Average monthly household communications services spending					
Figure 1.5	Average monthly household spending on communications services in urban centres					
Figure 1.6	Average monthly household spending on communications services in rural communities					
Figure 1.7	Monthly household expenditures, by service and by age of reference person (\$/month/household), 2017					
Infographic 1.3	Household characteristics and communications expenditures by income quintile					
Infographic 1.4	Canadian households' average expenditures on communications services					
Infographic 1.5	Household expenditures on communications services by income quintile					
	Average provincial household expenditures on communications services comparison in urban centres and in rural communities					
Infographic 1.7	Household expenditures on communications services by age in 2017					
Table 1.1	Average annual household incomes and average monthly expenditures by income quintile (\$/month), 2017					
Table 1.10	Household average monthly communications services expenditure in urban centres, 2012-2017					
Table 1.6	Average five-year monthly household spending on communications services, by service and by income quintile (\$/month/household), 2013-2017 53					
Table 1.7	Expenditure per service and by income quintile as a percentage of average annual income, 2017 54					
Table 1.8	Household spending on communications services as a percentage of annual income, by income quintile, 2013-2017 55					
Table 1.9	Household average monthly household communications services expenditure in rural communities, 2012-2017 56					
Figure 2.6	BDU basic television service prices by province/territory in urban centres and rural communities, 2018					
	Average reported monthly price by service in Canada					
	Average reported monthly price of communications services in urban centres and rural communities					
Figure 2.5	BDU basic television service prices by major centre, 2018					
Figure 2.10	Prices for residential broadband Internet access service (25/3 Mbps, 100 GB/month) and number of companies providing this service in major urban centres, 2018					
Figure 2.11	Prices for residential broadband Internet access service (50/10 Mbps, unlimited GB/month) and number of companies providing this service in major urban centres, 2018					
Figure 2.12	Prices for residential broadband Internet access service (5/1 Mbps) and number of companies providing this service in urban centres and rural communities, 2018					
Figure 2.13	Prices for residential broadband Internet access service (25/3 Mbps, 100 GB/month) and number of companies providing this service in urban centres and rural communities, 2018					
Figure 2.14	Prices for residential broadband Internet access service (50/10 Mbps, unlimited GB/month) and number of companies providing this service in urban centres and rural communities, 2018					
Figure 2.9	Prices for residential broadband (5/1 Mbps) Internet access service and number of companies providing this service in					
Figure 2.3	major urban centres, 2018 Average combined reported prices for communications services by province/region, 2016-2018 Basic television, basic wireline telephone, Internet (25/3) and mobile (unlimited voice & SMS and 5GB of data)					
Figure 2.4	Average combined reported prices for communications services by province/region, 2018 Basic television, basic wireline telephone, Internet (25/3) and mobile (unlimited voice & SMS and 5GB of data)					
Figure 2.1	Average prices (\$/month) for Internet services (urban and rural) 2016-2018					
Figure 2.2	Average prices (\$/month) for mobile services (urban and rural) 2016-2018					
Figure 2.15	Prices for a level 1 basket wireless service (\$/month) and number of companies providing the service in major urban					
5	centres, 2018					
Figure 2.16	Prices for a level 2 basket wireless service (\$/month) and number of companies providing the service in major urban centres, 2018					
Figure 2.17	Prices for a Level 3 basket wireless service (\$/month) and number of companies providing the service in major urban centres, 2018					
Figure 2.18	Prices for a level 4 basket wireless service (\$/month) and number of companies providing the service in major urban centres, 2018					
Figure 2.19	Prices for a level 1 basket wireless service (\$/month) and number of companies providing the service in urban centres and rural communities, 2018					



Figure 2.20	Prices for a level 2 basket wireless service (\$/month) and number of companies providing the service in urban centres and rural communities, 2018
Figure 2.21	Prices for a level 3 basket wireless service (\$/month) and number of companies providing the service in urban centres and rural communities, 2018
Figure 2.22	Prices for a level 4 basket wireless service (\$/month) and number of companies providing the service in urban centres and rural communities, 2018
Figure 2.7	Prices for basic wireline telephone service (\$/month) and number of companies providing this service in major urban centres, 2018
Figure 2.8	Prices for basic wireline telephone service (\$/month) and number of companies providing this service in urban and rural communities, by province/territory, 2018

Today's <u>Communications Market Report – Annual highlights of the telecommunications sector 2020</u> does not include any data about the affordability of telecommunications services among the 77 tables, figures or infographics in the <u>Report</u> or in the Open Data tabulations to which interested readers are referred:

Communications I	Market Report – Annual highlights of the telecommunications sector 2020 – tables, figures & infographcs						
Source	Title						
Market report	Figure 1 Gross domestic product (GDP) growth rate (%) in Canada						
Market report	Figure 2 Total telecommunications revenues (\$ billions) and growth rates (%)						
Market report	Infographic 1 Overview of total telecommunications revenues						
Market report	Table 1 Total revenue market share (%) by type of service provider						
Market report	Figure 3 Total revenues by type of TSP (\$ billions)						
Market report	Figure 4 Companies providing telecommunications services by type of TSP (%)						
Market report	Infographic 2 Telecom revenue share by sector (%)						
Market report	Figure 5 Distribution of TSPs by the number of sectors with services offered (%)						
Market report	Figure 6 TSPs' revenue share grouped by the number of sectors with services offered (%)						
Market report	Infographic 3 Overview of retail vs wholesale revenue share (%)						
Market report	Figure 7 Telecommunications revenues by category and province/territory (\$ millions)						
Market report	Figure 8 Wholesale high-speed access enabled lines by region (thousands)						
Market report	Table 2 Percentage of telecommunications revenues generated by forborne services (%)						
Market report	Figure 9 Subsidy paid to incumbent local exchange carriers (\$ millions) and contribution rate (%)						
Market report	Infographic 4 Overview of key indicators of telecommunications financial performance						
Market report	Figure 10 Telecommunications capital expenditures by type (\$ billions)						
Market report	Figure 11 Capital intensity for industries with the highest capital intensity ratios (%)						
Market report	Figure 12 Telecommunications capital intensity (%), by type of TSP						
Market report	Figure 13 EBITDA margins by sector (%)						
Market report	Infographic 5 Overview of retail revenues by sector						
Market report	Table 3 Overview of retail mobile sector						
Market report	Table 2.4 Retail mobile and paging service revenue components (\$ millions)						
Market report	Infographic 6 Highlights of mobile coverage						
Market report	Figure 14 Retail mobile revenue market share (%)						
Market report	Infographic 7 Overview of retail fixed Internet sector						
Market report	Table 5 Retail Internet service revenues (\$ millions)						
Market report	Table 6 Overview of retail fixed wireline voice sector						
Market report	Table 7 Local and long distance retail revenues (\$ millions)						
Market report	Table 8 Overview of retail data and private line sector						
Market report	Table 9 Data and private line retail revenues (\$ millions)						
Market report	Table 10 Overview of wholesale market						
Market report	Table 11 Wholesale telecommunications revenues by sector (\$ millions)						
Market report	Figure 15 Percentage of high-speed Internet wholesale lines by region (%)						
Market report	Figure 16 Percentage of high-speed Internet wholesale revenues share by region (%)						
Market report	Figure 17 Wholesale high-speed access enabled lines by download speed (thousands)						
Market report	Table 12 List of datasets available in the Data - Telecommunications sector, Data - Wholesale						
<u> </u>	(telecommunications), Data - Local and long distance, and Data - Data and private line workbooks						
Workbook	Overview of total telecommunications revenues						
Workbook	Telecom revenue share by sector (%)						
Workbook	Overview of retail vs wholesale revenue share (%)						
Workbook	Overview of key indicators of telecommunications financial performance						



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Workbook	Distribution of TSPs by the number of sectors with services offered (%)					
Workbook	TSPs' revenue share grouped by the number of sectors with services offered (%)					
Workbook	Telecommunications revenues by category and province/territory (\$ millions)					
Workbook	Wholesale high-speed access enabled lines by region (thousands)					
Workbook	Subsidy paid to incumbent local exchange carriers (\$ millions) and contribution rate (%)					
Workbook	Telecommunications capital expenditures by type (\$ billions)					
Workbook	Capital intensity for industries with the highest capital intensity ratios (%)					
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Workbook	Percentage of high-speed Internet wholesale revenues share by region (%)					
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Workbook	Total revenue market share (%) by type of service provider					
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Workbook	Overview of retail mobile sector					
Workbook	Retail mobile and paging service revenue components (\$ millions)					
Workbook	Retail Internet service revenues (\$ millions)					
Workbook	Overview of retail fixed wireline voice sector					
Workbook	Local and long distance retail revenues (\$ millions)					
Workbook	Overview of retail data and private line sector					
Workbook	Data and private line retail revenues (\$ millions)					
Workbook	Overview of wholesale market					
Workbook	Wholesale telecommunications revenues by sector (\$ millions)					
Workbook	Telecommunications revenue distribution by region (\$ billions)					
Workbook	Percentage of retail telecommunications revenues generated by forborne services (%)					
Workbook	Telecommunications investments made in plant and equipment, by type of provider of telecommunications service (\$ billions)					
Workbook	Total 9-1-1 service revenues (\$ millions)					
Workbook	Wireline retail telecommunications revenue market share (%) by type of service provider					
Workbook	Wholesale telecommunications revenues by market sector (\$ millions)					

It is currently unclear whether the CRTC has collected any data on affordability and chooses not to publish it, or has chosen not to collect the data and is therefore unable to publish it. Examples of both of these practices are set out below with respect to the CRTC's broadcasting operations.

Information that the CRTC does not collect regarding broadcasting

Parliament's policy for broadcasting in Canada is set out in the 1991 *Broadcasting Act*. The policy addresses many different goals for broadcasting, including employment opportunities for Canadians (section 3(1)(d)(iii)) and the availability of information (section 3(1)(d)(ii)) or news. Parliament also said that the CRTC must keep a "public register" that holds a copy of each petition to Cabinet which it receives (section 29(3)).

In response to access-to-information requests the CRTC said in early 2021 that it has no studies about employment opportunities in commercial radio stations (A-2020-00067) or about the amount of original local news broadcast by large ownership groups' radio stations (A-2020-00066). In 2010 and in 2015 the CRTC had no information about the number of news bureaux operated in Canada by Canadian radio or TV stations (A-2010-00014, A-2015-00033, A-2015-00034). Neither the CRTC's A-Z Index nor its search engine disclosed a public registry of the petitions to



Cabinet which it has received – although the CRTC's staff apparently offered each other a link to FRPC's list of petitions to Cabinet about the CRTC's 2022-165 renewal of the CBC's licence (A-2022-00056: when one CRTC staffperson asked in August 2022 if someone would "put together a list of all the Petitions on the CBC", their colleague responded with a link to the list created and posted by FRPC).

Information the CRTC collects in broadcasting but chooses not to publish

The CRTC also collects some information about broadcasting matters that it does not disclose. For example, while the CRTC and/or its senior staff received a presentation by large broadcasters about a proposal to block Canadians' access to certain website in September 2017 (A-2017-00033), the CRTC did not disclose this presentation (or any meetings held about this matter) when it published the application in January 2018, and the application itself did not refer to the presentation.

Although the CBC sent the CRTC attestations about the former's broadcasts of information about the CRTC public hearing into CBC's licence renewals, the Commission did not publish the notifications. As it happens, FRPC's subsequent analysis of the notifications obtained from CBC through an access-to-information request (A-2020-00016) found numerous inconsistencies, including the facts that some (20%) of the broadcasts may not have been made at all or were made before the CRTC published any information about the hearing and that another 28% of the times shown for the notifications were incorrect. Similarly, when inviting Canadians to comment on large cable and satellite companies' proposal to raise the price of basic service from \$25/month to \$28/month, the Commission had collected but did not publish information about the lowest prices charged for "small basic service", by province – despite the fact that this information suggests that at least some distributors had already increased the price they charged for basic service between 2019 and 2020 (A-2022-00057):

Appendix 3 - Minimum listed price for small basic service by province/territory (CMR/pricing survey data)

Year	2019		2020		2021	
Province/Territory	Minimum small basic service listed price	BDU	Minimum small basic service listed price	BDU	Minimum small basic service listed price	BDU
British Columbia	21.95	VMedia	24.95	multiple	24.95	multiple
Alberta	17.95	VMedia	21.95	VMedia	21.95	VMedia
Saskatchewan	17.95	VMedia	21.95	VMedia	21.95	VMedia
Manitoba	17.95	VMedia	24.95	multiple	24.95	multiple
Ontario	14	Beanfield	14	Beanfield	14	Beanfield
Quebec	19.24	Colba.Net	24.95	VMedia	24.95	VMedia
New Brunswick	21.95	VMedia	24.95	multiple	24.95	multiple
PEI	21.95	VMedia	24.95	multiple	24.95	multiple
Nova Scotia	21.95	VMedia	24.95	multiple	24.95	multiple
Newfoundland &						
Labrador	24.95	multiple	24.95	multiple	24.95	multiple
Yukon	24.95	Bell	24.95	Bell	24.95	Bell
Northwest Territories	24.95	Bell	24.95	Bell	24.95	Bell
Nunavut	24.95	Bell	24.95	Bell	24.95	Bell



Further, after being <u>directed by Cabinet to 'reconsider and hear' the CBC's renewal application</u>, the CRTC's staff organized a meeting in October 2022 to discuss the next steps for this process (A-2022-00056) – yet just over six months later, the CRTC has as of Friday, 17 March 2023 not informed the public about this proceeding.

The absence of easily located and easily used quantitative information from the CRTC about matters that are relevant to its proceedings casts significant doubt on its public commitment to transparency ("We are committed to providing open and transparent information about our operations...."), limits the public's ability to participate effectively in the CRTC's proceedings and also impairs Parliament's ability to know whether its goals for Canadian broadcasting and telecommunications are being met. The CRTC's choice to be uninformed about matters within its jurisdiction along with its apparent decisions to withhold relevant evidence from the public raise concerns about the degree to which the CRTC's decisions are arbitrary rather than based in law and 21st century professional practice.

Recommendations:

The CRTC should update its administrative processes for the 21st century following consultation with interested private and public parties – in annual meetings whose minutes (including recommendations made and names of attendees) are published and maintained on the CRTC's website going forward.

Maintaining the *status quo* – in which the CRTC obscures the information it has and also that it chooses not to obtain – will only bring the CRTC's administration of its responsibilities into disrepute.

~ Forum for Research and Policy in Communications (FRPC)

Other comments in this series

1 March 2023: Openness means not hiding applications from public view

2 March 2023: Openness means not just describing but explaining the CRTC's process and proceedings

3 March 2023: Openness means 'real' public hearings, published decisions and published meeting schedules

4 March 2023: Openness means publishing information about CRTC meetings with those it regulates

5 March 2023: Openness today means easier access to CRTC programming, ownership and financial data

6 March 2023: Openness means knowing who sets the CRTC's agenda

7 March 2023: Openness means disclosing relevant evidence

8 March 2023: Openness means being open to all, not just to some or most

9 March 2023: Openness means timeliness

10 March 2023: Openness means active efforts by CRTC to engage public

11 March 2023: Transparency means being clear (about being transparent)

12 March 2023: Transparency means clarity about planning processes



13 March 2023: Transparency means disclosing dealings, including meetings

14 March 2023: <u>Transparency means clear process</u>

15 March 2023: Transparency means operational clarity

16 March 2023: <u>Transparency means operational timeliness</u>

17 March 2023: <u>Transparency means clarity about evidence</u>

18 March 2023: Transparency means access to evidence, not selective smokescreening